

in the field of solid-state lighting, particularly inorganic and organic light-emitting diodes.

Mr. DOMENICI. Mr. President, again I completely agree with the Senator. I would also add that the intellectual property in section 914 is patterned after the Department of Energy's Solid State Energy Conversion Alliance, or SECA. Under the SECA model, research and development qualifies for the "exceptional circumstances" provision of the Bayh-Dole Act. Inventors still retain rights to their intellectual property. Those alliance participants who are active in solid-state lighting research and development will receive the first option to negotiate non-exclusive licenses and royalty payments to use the invention.

Mr. BINGAMAN. I thank the Senator and would ask one final question. I think he would agree that solid-state lighting is in its research infancy. While it holds a promise to make white light illumination 10 times more efficient than today's light bulb, it is imperative that the DOE implement this program quickly, and transfer the pre-competitive research to industry, so that our country can retain its leadership position in lighting—a field that Thomas Edison started.

Mr. DOMENICI. I fully agree. The Senator serves as our ranking member and was instrumental in the adoption of this provision by our committee. I think we both expect that quick action by the Department of Energy will stimulate the private sector.

Mr. BINGAMAN. I thank the Senator for yielding.

AMENDMENT NO. 845 TO AMENDMENT NO. 539

(Purpose: To amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes)

Mr. BINGAMAN. Madam President, on behalf of Senator SCHUMER and Senator LINCOLN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for Mrs. LINCOLN, proposes an amendment numbered 845 to amendment No. 539.

Mr. BINGAMAN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Text of Amendments.")

Mr. REID. I ask unanimous consent that the majority whip be recognized to speak for up to 5 minutes.

Mr. MCCONNELL. As in morning business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? Without objection, it is so ordered.

Mr. MCCONNELL. I thank the distinguished assistant Democratic leader.

(The remarks of Mr. MCCONNELL are printed in today's RECORD under "Morning Business.")

Mr. MCCONNELL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 539 WITHDRAWN

Mr. FRIST. I now withdraw amendment No. 539.

#### MORNING BUSINESS

Mr. FRIST. Madam President, I ask unanimous consent that the Senate now proceed to a period for morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Madam President, it is probably confusing to people who are watching this debate and discussion. I have just withdrawn the ethanol amendment. As the minority leader suggested, my plans are to reintroduce that amendment at the earliest time feasible, likely first thing tomorrow morning.

What has just happened is that while we were talking about ethanol and energy, we were moved to the consideration of something which, yes, could be related but it is on child tax credits, another issue that is important to the American people. What we have agreed to do is to address that issue sometime in the very near future in a way that we can consider alternatives to addressing the issues surrounding child tax credits.

The Senator from South Dakota.

Mr. DASCHLE. Madam President, I am disappointed that the underlying amendment was withdrawn. That was an amendment offered by the distinguished majority leader and myself. We are certainly going to be coming back at the earliest possible time to continue the debate.

We have had a good debate today. A couple of amendments were offered to the amendment. This is a revenue bill, and certainly it is within the right of the Senator from Arkansas to offer this amendment. This is a key amendment that I hope we can address. We have begun discussions about how we might address it over the course of the next couple of days. It would be my hope that we could get a vote on this amendment, whether it is freestanding or it is a part of the bill, and whatever our Republican colleagues may wish to offer as well, but we have to keep moving along. The sooner we can dispose of this amendment, the sooner we can get to some of these other issues.

I hope we can reintroduce the ethanol amendment at the earliest possible date, continue the debate on that,

finish it, and then move to the other issues as we debate this bill.

So it is disappointing, but I hope we can regroup and begin again tomorrow.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I know the distinguished minority leader is disappointed, but not as much as the Senator from New Mexico. Obviously, we have worked very hard on what we think is a very good Energy bill. I think the United States deserves an Energy bill. I know there are other issues. I have no quibble with other Senators who have issues that they think are of great importance, including tax issues, but it is quite a surprise to see an issue of tax significance being applied to an Energy bill for the United States, although technically one might call it a tax bill.

Nonetheless, where there is a will there is a way. If I understand it, there seems to be a will tonight that we will proceed to try to iron out the difficulties between the parties as to the tax matters and then tomorrow proceed with dispatch to get the ethanol amendment back on board, and hopefully not have to go through the same amendments on ethanol that we have already had, and proceed with the lining up of some amendments on the Energy bill with which I understand the minority has indicated a willingness to help. We will work on our side to do the same.

Whatever time I had remaining under my 10 minutes, I yield back.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Madam President, it is probably confusing to people who are watching this debate and discussion. I have just withdrawn the ethanol amendment. As the minority leader suggested, my plans are to reintroduce that amendment at the earliest time feasible, likely first thing tomorrow morning.

What has just happened is that while we were talking about ethanol and energy, we were moved to the consideration of something which, yes, could be related but it is on child tax credits, another issue that is important to the American people. What we have agreed to do is to address that issue sometime in the very near future in a way that we can consider alternatives to addressing the issues surrounding child tax credits.

Child tax credits are a separate issue from ethanol and energy, a very important issue, one we have been made aware of over the last several days that must be addressed. We will, of course, tonight, figure out the best way to address that, and it will be done in the very near future.

We will in all likelihood reintroduce the ethanol amendment, my amendment, with the Democratic leader, early in the morning, and over the course of tonight and this evening and early in the morning we will, hopefully, have a series of amendments

lined up, and we will be able to move directly to ethanol, on energy, so that we can progress with this very important legislation, the Energy bill, and this ethanol amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I do not quite understand why the ethanol provision had to be pulled at this point. I know an amendment was offered by my colleague and it deals with the child tax credit. It seems to me that could have been dispensed with rather quickly.

Let me talk for a minute about the child tax credit. First, I think the ethanol provisions are very important. I am a member of the Energy and Natural Resources Committee and I want this Energy bill done. We have a responsibility to get this moving and through here.

My colleague earlier today offered a unanimous consent request dealing with the child tax credit. It is not surprising to me that was offered. It probably would have been offered no matter what was before the Senate. The reason for that is the announcement in recent days regarding the final conference report of the tax package. That told us what most know; that is, when those who wrote this package gathered in a room someplace, there were not a lot of high-priced folks around trying to encourage them to make sure all American children were treated right with respect to the child tax credit.

Now we discover around 12 million children in this country are left out of this calculation of child tax credit. Why? Because some people allege—in fact, I heard it on a talk show today—some allege they do not pay taxes. These people do not pay taxes, we are told. I don't know what they are thinking when they say that because these are taxpayers. They work hard. Often these are the kinds of people who have to shower after work, not before work. They work hard all day long and they pay more in payroll taxes than they pay in income tax. And they are told by this Senate, they are told by the Congress, they are told by talk show hosts, that they do not pay tax and therefore their kids do not count.

This Congress ought to be embarrassed when it hears news reports about what the conference report said: By the way, we will provide a child tax credit, but we will decide that 12 million children are left out. Why? Because their families earn between \$10,000 and \$26,000. Somehow the Congress has decided they do not work, or they do not count, or they do not pay taxes. What a bunch of rubbish. What a bunch of nonsense. They deserve to be angry about this. We ought to be angry about it. What kind of priority is this? I don't understand it at all.

The fact is, when they look back at our work 10 years from now, or 100 years from now, the only thing historians will understand about us is what our value system was. What did we

value? What did we think was important? What did we stand up for? Whose side were we on?

I watched this tax bill come together, and I waded through crowds of people in the Capitol—basement, first floor, second floor. I guarantee I have never had to wade through a crowd of people who came to Washington, DC, to make sure we were playing fair for these 12 million children, to make sure we were standing up for the families who were earning \$10,500 a year to \$26,000 a year. I guarantee the hallways are not filled with lobbyists being paid to represent their interests. I guarantee that.

But there are a lot of high-priced people around here protecting the interests of the people at the upper end of the income scale. We did not hear reports that they were being short-changed, that children at the upper end of the economic ladder were left out. No, they were taken right good care of. It is just the folks at the bottom. The folks at the bottom, working people, people who work for \$10,500 to \$26,000 a year, who have kids, trying to raise a family, they are the ones who know about “second”—second house, second mortgage, second shift, second job. And now they get second-hand treatment in the tax bill because they are told they don't count because they don't pay taxes. The heck they do not pay taxes. Of course they pay taxes. They pay payroll taxes out of every single paycheck. I am offended that people say people at the bottom of the economic ladder who find a paycheck less than their gross pay—and do you know why? Because they had taxes taken out—I am offended when people say they are not taxpayers. I am offended when somehow it is told they do not deserve a tax cut like all other Americans because the fact that they pay payroll taxes is somehow less worthy than others who pay income taxes. One-half of the American people pay higher payroll taxes than income tax and somehow this tax bill and those who worked on it decided they were not worthy, they were not taxpayers. We will tell their 12 million children they do not count. We will tell them it does not matter they have kids; they do not need the tax credit.

There is something horribly wrong with that value system. It is not surprising to me that someone comes to the floor—and if it had not been my colleague from Arkansas, it would have been one of a dozen others today—to say this needs to be fixed—not tomorrow, not next week, not next month. This ought to be fixed now. It ought not take an hour or a day. It ought to take 10 minutes for this Senate to understand its responsibility.

It's our responsibility to say to these people, the working people making \$10,000 to \$26,000 a year, trying to raise kids, working at a job, trying to do right, it is this Congress' responsibility to say to them: You get the same tax cut as other Americans do. We provide the same child tax credit for you as we

provide for other Americans. You pay taxes; we intend to recognize it. That is the responsibility of this Senate.

I do not, for the life of me, understand why the offering of this amendment persuades somebody to take down the amendment in the Energy bill. That is nonsense. We can pass this in 5 minutes.

Mr. REID. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

Mr. REID. I wonder, does the Senator think any parents of these kids earning \$10,000 to \$26,000 a year, do they benefit from the cut in dividend payments from corporations? Do you think they benefit much from that, which was in the final version of the bill?

Mr. DORGAN. I say to my colleague from Nevada, there is no question, these are not families who have dividends. These are not families who collect a lot of interest. These are families who live paycheck to paycheck, trying to make a living, trying to do right by their kids, trying to send their kids to good schools, trying to buy new clothes for the kid to go to school in September. These are families trying to make ends meet. They are always left out.

Frankly, I was surprised when I heard the President and others advertising the tax bill, saying we support a child tax credit for America's children—except he left out the colleagues of mine in the Senate who convened in a conference, without our participation. Nobody here was invited to that conference. They wrote a bill that said it is just some American children; it is not children from those families who make \$10,000 to \$26,000 a year because somehow they are not taxpayers.

Mr. REID. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

Mr. REID. The Senator and I have been back in Washington for some time. Right out these doors and various other places in the Capitol, there are lobbyists, lobbyists who represent interests. Did the Senator run into any lobbyists during consideration of the tax bill, the people wearing the Gucci shoes, delivered to the Capitol in limousines, lobbyists representing these people who were left out of the benefits of this tax bill passed 2 weeks ago?

Mr. DORGAN. To my colleague from Nevada, this hallway in the Capitol outside this Chamber is never ever populated by those who are paid to represent the interests of people who work at the bottom of the economic ladder. They do not have full-time lobbyists crawling the Halls of Congress saying: By the way, give us a break on dividends; give us a break on this issue or that issue.

No, unfortunately, it is these families, the families who work hard, at the bottom of the economic ladder, struggling every paycheck, trying to make ends meet, who get the short end of the stick every time you open it up and look at the details.

I was surprised. I am a Lutheran Norwegian from North Dakota, kind of

stoic. I don't rise to the passion of some of my colleagues from New York, but this makes me angry. That is just because it is fundamentally wrong. It talks about our character, that we decide we are going to give some tax cuts, we are going to help some people out, but you know what. We will take a look at the top people and just give them a thick layer of butter on their bread, but to the bottom people we will say you don't count.

I will tell why. Mark my words. It is because those who wrote this bill believe that these are not taxpayers. Do you know why? Because somebody who is making \$15,000 a year, trying to raise four kids, trying to patch up their car, seeing if they have enough money for new brake linings, seeing if they can afford to put gas in next week—it is because those people are working at jobs where in most cases they are not paying an income tax. But they are paying a payroll tax. The fact is, as a percent of their income, they pay a higher payroll tax than the people at the upper end of the income scale. But when it comes time for tax cuts, we have people sitting around a table here who say the only people who pay taxes in America are those who pay income taxes. That is pure nonsense and they ought to know better. There are taxpayers in this country—in fact, more than half of the American people pay higher payroll taxes than income taxes.

I frankly resent it when people say somebody at the bottom of the economic ladder who pays payroll taxes is not an American taxpayer. If we talk about trying to provide some stimulus to this economy of ours, trying to provide some lift to this economy by giving people purchasing power—and that is what people talk about, providing some purchasing power—the American economic engine is the working families out there. Provide them with purchasing power with tax cuts and they will make the economic engine purr—except they say those most likely to spend the child tax credit, those who need it most, those at the bottom of the economic ladder, working every single day, they should be left out and they and their 12 million kids should not count.

I know why it happened. It is because we have colleagues in this Chamber who say they are not taxpayers because they do not pay income taxes. But they pay payroll taxes. We have colleagues who say payroll taxes do not count; you are not a taxpayer.

I say that is sheer rubbish.

Mrs. LINCOLN. Will the Senator yield? Not only do they pay payroll taxes, but they also pay sales tax when they buy new tires for that vehicle. They pay excise taxes. For people who live in States like ours which are predominantly rural, who have to drive great distances to their jobs, perhaps, when they pump gasoline, they are paying an excise tax. They pay property taxes and also they have to pay State income taxes in some instances

that are different from Federal income taxes.

The Senator from North Dakota makes some very good points. These are taxpayers, hard-working people trying to raise a family, playing by the rules, and they are paying taxes.

I would like to ask the Senator, when was the last time you saw anybody offer up a tax cut on their sales tax or on their excise tax or on the other taxes they do suffer from or that they are burdened with?

In other words, they are going to see all the tax increases but never see any of the tax decreases or the tax benefits, if we do not look to making these child tax credits refundable to those 12 million children who are out there, in these families who are continuing to pay not only payroll taxes but the sales taxes and the excise taxes and everything else out there. The Senator makes an excellent point.

Mr. DORGAN. Mr. President, Bob Wills of the Texas Playboys back in the 1930s had a song with a verse that fits almost perfectly the philosophy of those who wrote this bill and left out 12 million children.

The little bee sucks the blossom,  
and the big bee gets the honey.  
The little guy picks the cotton,  
and the big guy gets the money.

It is a simple verse with an important lesson.

I followed a car the other day, an old car that had several children in it. They had the back bumper taped up but they had a bumper sticker that said:

We fought the gas war and gas won.

I pulled up behind that car at a four-way stop sign and smiled to myself because, you know, in circumstances like that, that family trying to raise children, trying to keep an old car together, keep the bumper taped on, they figure everybody wins except them. They are trying hard but they do not win; somehow they do not count. That impression is always reinforced.

Yes, it is reinforced by Bob Wills in the Texas Playboys' verse, but it is reinforced every day in almost every way, especially in the policies of this Chamber.

It is about values. This decision we make about tax cuts is about our value system. What do we think is important? What do we hold dear? What is our character about?

Let me yield the floor in a moment by simply saying Mr. Wallis, the Convenor of the Call To Renewal, a National Federation of Churches and faith-based organizations, said:

The decision to drop child tax credits for America's poorest families and children in favor of further tax cuts for the rich is morally offensive.

My whole hope is we just do the right thing and do it quickly. We know what the right thing is. It is not the right thing to say these 12 million children coming from the lower-income households, working households that are trying to make ends meet, that they

should not count with the child tax credit. We know that is wrong. If we know that is wrong, and in our heart all of us know that is wrong, then we know what is right. What is right is to say we will fix it and we will fix it now—not tomorrow, not next week, not next month, not after we have another closed meeting and some secret conference—right now.

We can do that. That is our obligation, in my judgment, to a lot of people in this country who deserve a break from us—taxpayers. Yes, they are taxpayers who deserve some tax relief in the form of child tax credits, taxpayers who were left out of the original bill but who will, with the help of my colleagues, be put in, in this Senate.

Mrs. BOXER. Will the Senator yield? I know my friend from Arkansas has a very important meeting tonight, on behalf of her children, as it turns out. That is why she is the perfect person—I ask my friend, before he leaves the floor—to have brought this to us, because she knows children's needs very well, after raising the most beautiful twin kids who I happen to know personally and consider them friends.

I guess my question to my friend—and I will be brief on this question—is this: Does my friend have any idea—and I don't expect him to know—how many of these kids come from California? He talks about 12 million. Does he have any notion? I would say to my friend the answer is about 10 percent, about 10 percent of those kids.

I want to say to my friend that in this tax cut, if we do not fix it the way my friend from Arkansas wants to fix it—and make no mistake, it could have been done already, all this rigmarole and parliamentary procedure aside. In California people who make between \$10,000 and \$20,000, their average tax cut—does my friend have any idea what it might be?

Mr. DORGAN. I don't think it is fair for the Senator from California to ask me questions she assumes I can't answer. The correct answer is no.

I have to leave the floor.

Let me ask consent that my colleague from California be recognized for 3 minutes.

The PRESIDING OFFICER (Mr. ALEXANDER). Without objection, it is so ordered. The Senator from California.

Mrs. BOXER. I will just take a minute. I would say it is important to note that the people in California—and I assume this is true of the people in the State of Tennessee, in the State of Arkansas, and perhaps New York as well—the people who earn between \$10,000 and \$20,000 a year, their average tax cut, which the President signed into law and most Democrats voted against and most Republicans voted for—their average tax cut is \$7. These are working people. They are working. They are getting their hands dirty. They are keeping this country going. The top elite few get hundreds of thousands back and these people get \$7 a year.

If they have children, they are suffering, and all my friend from Arkansas is saying is: Give these families a little fairness. They pay payroll taxes. They pay sales taxes. They have to live. And, by the way, giving them a check is going to stimulate this economy, not by giving it to people like Leona Helmsley. She has everything she needs, thank you very much. I don't mean to pick on her particularly—but Warren Buffett has said it well himself. He doesn't need it. He has his kids and their kids and their future kids and their future kids covered. He has every generation of Buffetts covered.

All we are doing is fighting for the people who need us the most.

I thank my friend from Arkansas for her courage and I want to say how much I support her and how much I am looking forward to voting in favor of her amendment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. REID. Mr. President, will the Senator yield for a statement?

Mrs. LINCOLN. Yes.

Mr. REID. Mr. President, I have been waiting to be recognized so I could lay on this RECORD a compliment from me, the people of the State of Nevada, and the country for the brilliant statement the Senator made this past Saturday on national radio. Rarely are the statements of the Democrats who follow the President's weekly address picked up on the weekly and hourly news shows on the weekends. But the statement of the Senator from Arkansas was on the news all Saturday afternoon and all day Sunday, the reason being that it was such a timely statement the Senator made. It is obvious that it had a tremendous impact because we have now heard from the majority. Paraphrasing the statements we have heard over here today: Yes, I guess we could have done a little better, and we will work something out so there will be some adjustments made on how children in America are treated for tax purposes.

The Senator from Arkansas, I believe, can take much of the credit for our being here today. I told her personally, and I want to say publicly, she did a tremendous job representing the people of Nevada and the rest of the country.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Mr. President, I thank my colleagues from Nevada and California, and all of those who have come to the floor today to talk about a very important issue.

I also compliment my colleague, Chairman DOMENICI, as well as the ranking member, Senator BINGAMAN, for an incredible effort on our Energy bill. There is no doubt that we need to address the energy needs of this country. We have for the last 25 years tried to modernize what we do in energy. I think this bill is an incredibly important bill. I hope my amendment does

not in any way diminish my support for what the chairman is doing in moving forward on the Energy bill. It is equally important to the working families of this great Nation that we address those issues and look at ways of finding alternative fuels. Lord knows, for those who pay the bill at home—the last time I paid my gas bill, it was enormously high, and for American families as well. When we look at an opportunity for an energy package, such as the chairman is bringing to us, we can certainly provide for our families some of their capabilities to raise their family and be productive and strengthen this great country in which we live.

I hope the chairman can understand. I noticed his disappointment as we shifted off that amendment. I, too, was disappointed. I was disappointed when this child credit bill was taken out of the bill in the dark of the night—something that was important to so many families across this Nation.

I also want to plead with those who are disappointed. We have shifted off only for a moment. We will return tomorrow and go vigorously at this Energy bill. We only have a limited amount of time.

This tax package was signed into law. Many individuals will reap its benefits come the first of July. But these 12 million children and their families will not get those benefits on July 1 unless we act quickly.

Certainly, we all know that when we have made mistakes, or when we have done something which we think we could have done better, what do we do? We immediately try to correct it. We don't sit around as it becomes worse; we deal with that issue.

That is all I have been asking. This is an appropriate bill. It is a revenue measure, and it is appropriate for me to bring up an amendment such as this.

Again, I don't want those who are working so hard and who have invested so much time, as I have, too, on the Energy bill to think we are trying to divert any of that attention. We are simply trying to correct something that was done incorrectly.

We only have a limited amount of time. We want to make sure that these families are given the same benefits and the same opportunities this tax bill will give other Americans to infuse the economy, to help grow the economy of this great country and, thus, strengthen our Nation.

We talk about it time and time again. I hope as we reflect on these families that we are actually trying to help those working families who are making between \$10,500 and \$26,625. These are the families who have been left out. I promise you, these people do pay taxes. Although they may not fall into the category of paying enormous income taxes, think of the sales taxes they pay, think of the excise taxes they pay, think of the property taxes they may pay, and think of some of the State taxes they may pay. They are

paying taxes that are consuming a lot of their take-home pay. The problem we have is that they are trying desperately and passionately to raise their children with the same values you and I have.

Why does it come to my attention? It is because of the time I have spent at home over the past 2 years shadowing welfare moms as we were debating the welfare reform package, recognizing that it is as painful for that welfare mother leaving a crying child at daycare as it is for me, a Senator.

This past spring break, I spent my time traveling around the State of Arkansas visiting with workers. But then I, too, had to put on my hat and became a mom. I had to go and purchase blue jeans for my children. I had to buy tires for my car because my husband told me I had to—not because I wanted to spend my money there but because he told me it was for the safety of our family. We needed new tires. I had to put a new battery in my car—all of these things, none of which I did that was any different than any other working mom, no matter how much that working mom makes.

All we are doing is asking for fairness in a package that is there to stimulate the economy. And for what reason? So we can strengthen our country. Not only do we want to give these families the capability to provide for their children in a way that is going to make their children stronger Americans, smarter Americans, healthier Americans, more safe Americans, but we want to give them the opportunity to participate in strengthening this country. This is not a handout. This is reaching a hand to our neighbors—those who are doing the same things we are doing: Raising our children and strengthening our families.

I plead with my colleagues. If we notice something that we haven't done as best we could do it, let us fix it. Legislation is not a work of art; it is a work in progress.

A lot of my colleagues agree with me. I have 49 cosponsors since we introduced the bill yesterday. Six of them are Republicans. It is bipartisan. I don't want this to be a partisan issue. I want this to be a strengthening issue; that we in the Senate believe our working families mean enough to us that we are going to share with them less than 1 percent of this tax bill to help them raise their families, to buy those tires, that washing powder.

I paid the bill for my children's lunch tab at the school. None of these things is any different for these working families. We have to know that. We as a Senate have to know that. We can't sit on the pedestal and forget there are people out there trying to raise their families. We talk about values. We talk about how we want these children to be healthy, we want them to be tomorrow's leaders, we want them to have the compassion and the values that we talk about on the floor of this Senate.

My friends, the best way we can teach them that is to walk our talk, to

live these issues, to reach out to these working men and women of America, and say that our families are not just important to us, but your family is just as important; giving you this assistance to be the best families you can possibly be is a priority for us, a priority enough that we are going to take a few minutes out of our busy day on the floor of the Senate and correct something that we could have done better. We are going to take those few moments and make that happen. Then, we are going to resume our business with this Energy bill, and we are going to go back to our business of making the energy policy of this country even better for you, too.

So I hope my colleagues will not take this incorrectly. This is not about slowing down a train or missing the train stop. This is about reaching out to the working men and women of this country and saying: My children are not only important to me, but your children are equally as important to me. And I want to do all that I can to give you the ability to be the best parent and for you to have the best family that you possibly can.

To affect the lives of 12 million children—12 million children of working American families—is our opportunity this evening and tomorrow. These are people who are working. They are bringing home a paycheck, sometimes working two jobs, with both parents working perhaps. They have children.

I hope that as a body we will not miss that opportunity to move forward, show our great Nation—and other nations, too—that when we talk about our children and their future, when we talk about the future of this country and the role we have to play globally in the future workforce of America and the future leaders of America, that we do believe it is a priority, priority enough to stop for a few moments and correct something we could have done better.

Mr. President, I hope we will have multitudes of opportunities, as we move forward, to make a lot of things better, but in this opportunity here today and tomorrow as we begin to look at this issue and the bill that I have introduced, and that many of my colleagues have joined me in, I hope they will continue to join me in moving forward and doing what we can for the 12 million children who live in the working families of this great Nation, who have been left out of this tax package, to give them the relief and the opportunity to help grow and strengthen our country.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, before the Senator from Arkansas leaves—I know she has a meeting for her children—I want to add my accolades to that of my friends from Nevada and California. She has done a good deed. The Bible says: The best thing to do is do a good deed for those who are in

need. She has done that, not only tonight but by her efforts in the Finance Committee and on the floor of the Senate because the children her amendment is aimed at are the ones who most need our help. So I know she has to attend to her own children. I thank her. All of America owes the Senator from Arkansas a debt of gratitude.

Mr. President, I am in full accord with what was said before about bringing this amendment to the floor. I do not like class warfare arguments. And I certainly believe there are certain tax cuts for people regardless of their income that stimulate the economy. I thought a tax cut was appropriate. But what really burns me is this idea that is circulating now that the people left out of the tax bill do not pay income taxes and, therefore, they are not entitled to a tax cut.

When you look at the working class, the people earning \$10,000 to \$26,000, they pay a much higher percentage of taxes than we do. They pay tax on gasoline. They pay a payroll tax. They pay property taxes, if they own a home. They pay the property tax in a pass-through when the home is rented. And their percentage is much higher than anybody else's.

If you want to talk about class warfare, look at this Wall Street Journal editorial today, "Even Luckier Duckies," talking about these people who don't pay income taxes.

America, who would you rather be, a family with \$22,000, paying no income tax—but paying a payroll tax, paying a sales tax, paying tax on gasoline—or somebody worth \$1 million, God bless them, who pays \$150,000 or \$70,000 or \$100,000, or whatever they pay in income tax? Give us a break. Who is doing class warfare? Who? I would say this editorial is class warfare. It is misleading as well.

"Luckier Duckies"? Well, if you want to define the world just by income taxes, you can. But ask any American—not just those making \$10,000 to \$26,000—ask any American making \$60,000 or \$70,000—at least from New York State—what is the tax they hate the most. It is not the income tax. It is not even the sales tax. It is the property tax. Do we define those people as well off because they pay little in income tax? Absolutely not. When a green dollar goes out of your hands for a tax, it is a green dollar, and it can buy food and it can pay rent and it does not matter if it is an income tax or a sales tax or a payroll tax. And, of course, the payroll tax is a Federal tax.

So this is not fair. This argument that these folks pay no taxes is bogus. The argument that they pay no Federal taxes, if they are working, is bogus. The idea that they escape the system scot-free while all the other wealthier people are struggling hard and paying money into the Treasury is bogus. They generally pay, as has been said before, a greater percentage of their income as taxes than more well-to-do people.

I read an article the other day in the New York Times. It wasn't about Federal taxes, but it took one census tract in Southern Queens in Ozone Park. It was an average census tract. I read about a family. They were talking about how tax increases in New York City—property tax increases, the increase in subway fare, which is not a tax increase but has the same effect—and the family was making, I believe it was \$34,000. The mother worked in a beauty parlor and the father was a janitor at the library, and they had been saving \$5 a week, I think it was, to have a party for their child's communion.

They kept an envelope, and every week Mom put the \$5 in. And she started several years before because she knew the date of her child's communion and she wanted to have enough money to have a party for the whole family.

And now, because of these tax increases, because of the increase in the subway fare, and because of a rent increase on the block—and another family who was struggling was told by their landlord he would have to increase the rent because the property tax increased—there would be no party for the young child. It touched me. I wish every one of my colleagues could read that story.

This idea that people making \$15,000 or \$20,000 or \$25,000 are "Lucky Ducks," that is so unfair. It is not right. I would argue that is class warfare. And there are many people in America who are struggling and working hard. A lot of the people in the New York Times article I am talking about are immigrants. There is a very mixed group on those few blocks and around 101st Avenue in Ozone Park, NY. And every one of our families probably came here poor as church mice. Mine did. And every generation that starts here in America struggles. Mine did. And probably yours did too, Mr. President, at some point in the past.

No one is saying they are oppressed or beleaguered. They are fine people. They are the people who have made this country strong, along with so many others. But to say they are in great shape in terms of the Federal tax law, given the payroll tax they pay, to say they are in great shape, despite all the other taxes they pay—sales tax and property taxes, whether they own their property, or if not, the passthroughs—is just not fair. It is not right. It is not the best of America.

And I am not surprised this Chamber is empty. I am not surprised, during the course of this whole debate, not a single Senator from the other side, with the exception of you, Mr. President, who might have been here not quite by choice—

Mr. REID. Will the Senator yield for a question?

Mr. SCHUMER. I am happy to yield to my colleague.

Mr. REID. How long did my friend serve in the House of Representatives?

Mr. SCHUMER. Eighteen years.

Mr. REID. During that period of time, you served, as did I, with the now majority leader in the House of Representatives, Mr. DELAY; is that true?

Mr. SCHUMER. It is true.

Mr. REID. Is the Senator aware of a statement made by the Republican majority leader in the United States House of Representatives today that said:

They had their chance. There is a lot of other things that are more important than that. To me it is a little difficult to give tax relief to people who don't pay income taxes.

Is the Senator aware that the majority leader of the House of Representatives has made this statement today?

Mr. SCHUMER. I was not aware of it. I am glad my friend from Nevada has brought it to my attention. It is what I was talking about. It is so unfair to say there were other things more important in the bill than helping struggling families. Before my friend from Nevada came in, I was talking about an article in the New York Times about working families, about the income level we are talking about, and how one family had been saving \$5 in an envelope every week so that their son might have a party at his holy communion for all his friends and family. And now they can't save that \$5 anymore because taxes are going up and the costs are going up. To say that family is not struggling is amazing.

I also am interested to hear my colleague say that there were other things in the bill more important. If I heard him correctly, it seemed to me that the majority leader is not going to want to change this. Did he say that as well?

Mr. REID. The majority leader said:

They had their chance. There is a lot of other things that are more important than that. To me it is a little difficult to give tax relief to people who don't pay income taxes.

It is clear, in answer to the Senator's question, that the majority leader in the House of Representatives, the person who controls what comes and goes on that floor, has said that these people are out in the cold, for lack of a better description. They had their chance. As I discussed with the Senator from North Dakota, they had their chance. These people who make from \$10,000 to \$26,000 a year, their chance is weighed with the problems of people who make much more money. They have no one representing them. As I discussed with the Senator from North Dakota, there is no more populated area than the Halls of this Capitol Building when there is a tax bill up, with lobbyists who are looking for a little niche to help the elite of the country.

These people are not the elite. These people we are trying to help are not elite. They are people who, as Senator DORGAN said, take showers after work, not before. I am terribly disappointed that already the person who sets the agenda for the Republican House of Representatives has said these people are finished. They had their chance.

Mr. SCHUMER. I agree with my colleague. What is the purpose of saying they are doing OK because they don't pay income taxes, when they are paying 7.5 percent of their check into the payroll tax? That is something most Americans support, but they are sure paying a lot. Right then and there, when you have a \$15,000-a-year job, and 7.5 percent comes out for the payroll tax, that is food off the table. That is not going without the second vacation or buying some special gift for your wife, that is food off the table.

When you pay that dollar to the Federal Government, to the State government, to the local government, do you think most Americans say it doesn't count because it is not an income tax? It doesn't count to pay property taxes? It doesn't count to pay sales taxes? It doesn't count to pay excise taxes?

That is the kind of logic that is what I call outcome determinative. You look at what you want to do: Help the wealthier classes for whatever reason. And then you come up with the argument that income tax is the only tax that counts.

I wonder if my friend saw this editorial in the Wall Street Journal, "Even Luckier Duckies." Basically, it says this tax bill has made a lot of people very lucky because they won't have to pay income tax. And I asked my colleagues who were not here, how lucky do they think someone making \$20,000 a year is compared to somebody making \$200,000 or \$2 million? Who would trade places? Who of those who make \$200,000 or \$2 million would trade places with the person who is making \$20,000 so they could be a lucky duck and not pay income tax? Give me a break.

This is not America. This is not the generosity of spirit that this country has always shown. This is not the fairness that this country has shown. As I mentioned earlier, I don't like the class warfare arguments. I have supported tax cuts on individuals with some money to stimulate growth in the past and will continue to in the future. But to make it seem as the majority leader did, as did the Wall Street Journal editorial page, which often reflects the majority leader's view, that someone making \$20,000 is lucky because they don't pay income tax, and someone making \$1 million is unlucky because they pay significant income tax, that is turning logic, fairness, goodness of spirit, and having a good soul on its head.

I am happy to yield to my colleague.

Mr. REID. The Senator is aware that the tax bill, according to this White House, was passed to create jobs. The Senator has heard that?

Mr. SCHUMER. I have indeed.

Mr. REID. The Senator is also aware of people like Warren Buffett who said: I am going to get hundreds of millions of dollars as a result of this tax bill. I don't want the money. I don't need the money. I won't invest the money. You have heard him say this?

Mr. SCHUMER. I have indeed.

Mr. REID. Does the Senator acknowledge that any amount of money that people who are making \$10,000 to \$26,000 a year receive, whether it is \$100 or \$500, will be immediately spent to buy things that create jobs for people?

Mr. SCHUMER. The likelihood is much greater than somebody who is given the money who has a large income.

Mr. REID. The Senator is aware that here in Washington Members of the Senate every 6 years have to raise money talking to people to see if they will help us; is he not?

Mr. SCHUMER. People have said I am aware of that.

Mr. REID. Does the Senator think many Senators will go to this group of people who make from \$10,000 to \$26,000 a year for campaign contributions?

Mr. SCHUMER. I doubt it. Forget the raising of the money. I worry that they don't sit down and talk to somebody who is making that amount of money, ever. Yes, you may shake hands at a county fair. But how about sitting in a living room and talking to the family who is making \$27,000 and has dreams for their children and is struggling to do the best for their kids and can't make ends meet? Again, that story about the communion touched me. But there was another one in that New York Times, an article about a family, a husband, wife, and two kids who were going to have to move out of the house they always lived in because their landlord got an 18-percent increase in property tax and he didn't want to pass it on. They were friends. It is a two-family house in a neighborhood in Queens. He didn't want to pass the property tax on as a raise in the rent for the people in the apartment. He had no choice because he couldn't make ends meet. He was not well off either.

Here is a family—they probably don't pay much, if any, income tax; I don't remember exactly what their income was, probably in the \$30,000 range—who is going to have to move. They don't know where to find a place to live. The kids will have to be uprooted and go to a different school. Who in this Chamber would not choose to help that family out a little bit? I mean, create jobs? I have to tell you, a lot of these families have jobs. They had jobs. The hard-working sort of bottom-of-the-ladder jobs that they are starting out at. But not to give them a little break for their children because there is no room in the Tax Code and it is loaded with things for other people? Where are our values? Where are our priorities?

I wish every single person on both sides of the aisle would just go to three homes of someone making between \$10,000 and \$26,000 a year.

Spend a half hour with them and talk about their struggle and then come back and say we could not reduce the top rate by a little bit less.

I thank my colleague from Nevada for his questions. I think he hit the nail on the head. I am just saddened by this. If it were truly just a mistake,



then we would not have heard the language statement issued by TOM DELAY, the majority leader in the other body; if it were just a mistake, we would not have pulled an amendment that a lot of people care about—I am glad it was pulled, myself, because I am not for it—but it would not have just run off the floor. If it was a mistake, they could say, great, the amendment of the Senator from Arkansas was pulled out at the last minute and we are going to put it back in and show that it was a mistake. But, no. There will be a lot of concerns, and maybe we will get it and maybe we will not. I hope we will.

I am troubled—very troubled—by the fact that we have a view here that those making \$20,000, or \$25,000, or \$15,000 are lucky ducks because they don't pay income tax. That is a view some in this Chamber seem to have taken.

Mr. President, I ask unanimous consent that today's Wall Street Journal editorial be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 3, 2003]

EVEN LUCKIER DUCKIES

The new tax bill exempts another three million-plus low-income workers from any federal tax liability whatsoever, so you'd think the nation's class warriors would be pleased. But instead we are all now being treated to their outrage because the law doesn't go further and "cut" income taxes for those who don't pay them.

This is the essence of the uproar over the shape of the child-care tax credit. The tax bill the President signed last week increases the per child federal income tax credit to \$1,000, up from the partially refundable \$600 credit passed in the 2001 tax bill. But Republican conferees decided that the increase will not be paid out to those too poor to have any tax liability to begin with.

Most Americans probably don't realize that it is possible to cut taxes beyond zero. But then they don't live in Washington, where politicians regularly demand that tax credits be made "refundable," which means that the government writes a check to people whose income after deductions is too low to owe any taxes. In more honest precincts, this might even be called "welfare."

But among tax cut opponents it is a political spinning opportunity. "Simply unconscionable," says Presidential hopeful John Kerry. The Democratic National Committee declares that the "Bush tax scheme leaves millions of children out in the cold . . . one out of every six children under the age of 17, families and children pushed aside to make room for the massive tax cuts to the wealthy."

Senator OLYMPIA SNOWE, the media's favorite Republican now that John McCain isn't actively running for President, says she is "dismayed." "I don't know why they would cut that out of the bill," adds Senator BLANCHE LINCOLN (D., Ark.). Those last two remarks take chutzpah, because if either woman had been willing to vote for the tax bill, a refundability provision would have been in it.

Senator LINCOLN introduced the idea in the Senate Finance Committee, but then announced she wasn't going to vote for the bill anyway. Ms. Snowe was also one of those, along with Senator GEORGE VOINOVICH (R., Ohio), who insisted that the bill's total

"cost"—in tax cuts and new spending—not exceed \$350 billion. Something had to give in House-Senate conference to meet that dollar limit, and out went refundability. The bill passed by a single Senate vote, with Vice President DICK CHENEY breaking the tie.

As it happens, the tax bill does a great deal for low-income families even without the refundable child credit addition. It expands the 10% income tax bracket, meaning that workers can earn more before leaping into the 15% and 25% brackets. This is a far better way to provide a tax cut than is a refundable credit, because it lowers the high marginal tax rate wall that these workers face as their credits phase out at higher income levels.

There's also \$10 billion in the bill earmarked for Medicaid, the state-federal health insurance program for the poor. And any family that actually has any remaining tax liability benefits from the extra \$400 in child tax credit.

More broadly, the critics want everyone to forget how steeply progressive the tax code already is. IRS data released late last year show that the top 1% of earners paid 37.4% of all federal income taxes in 2000. The top 5% paid 56.5% of federal taxes, and the top half of all earners paid 96.1%. In other words, even before President Bush started slashing taxes on the poor by increasing the child tax credit in 2001, the bottom 50% of filers had next to no federal income tax liability.

But don't low-income workers have to cough up the payroll tax? They certainly do, but don't forget that the federal Earned Income Tax Credit was designed to offset payroll taxes and is also "refundable." In 2000, the EITC totaled \$31.8 billion for 19.2 million Americans, for an average credit of \$1,658. Some 86% of that went to workers who had little or no income tax liability.

Republicans who just voted for the tax cut could be less defensive and try to explain all of this. But instead too many of them are heading for the tall grass, with Senate Finance Chairman Chuck Grassley already promising to cave as early as this week on the child tax credit. This is the kind of political box Republicans walk into when they endorse tax credits that favor one group over another. Democrats are better at playing favorites.

We raised some hackles last year when we noted this growing trend that more and more Americans paid little or no tax. "Lucky duckies," we called this non-taxpaying class at the time. Notwithstanding liberal spinners, after this tax bill they're even luckier.

#### BURMA

Mr. MCCONNELL. Madam President, another day has passed in Burma and the welfare and whereabouts of Aung San Suu Kyi and man of her supporters remain a mystery. The State Peace and Development Council—the rogue government there—claims that she is in a "guest house" in Rangoon and is in good health. If this is the case, the government should immediately allow foreign diplomats to meet with her.

The world's condemnation of the most recent murders and detentions in Burma has been swift. But words alone will not prevent the junta from assassinating more democracy activists in the days to come or detaining those whose only crime is calling for freedom and justice.

The lesson of the past few days is that dialogue has failed in Burma. Japan and other countries that advo-

cate engagement with the SPDC as a means of political change have nothing to show for their efforts but the spilt blood of democrats and the re-arrest of Burma's greatest hope for freedom.

Foreign governments must join in a full court press to determine the health and well-being of Suu Kyi and others arrested over the weekend. Elected representatives in this body and the world's democracies must come together and forge a response to the vicious assault on freedom that continues in Burma. Our collective failure to do so will abandon the people of Burma in time of their greatest need.

Burma's regional neighbors—Japan, China, Thailand, and the Philippines, in particular—must understand the threats that a repressive Burma will continue to pose the region. Among the junta's greatest exports are drugs and HIV/AIDS—scourges that know no borders or boundaries. With terrorist threats in South Asia and Southeast Asia, the junta will continue to pose chronic problems to countries trying to close their borders to the trafficking of weapons, people, and contraband.

In conclusion, it is past time to hold the SPDC accountable for the many injustices it has inflicted upon the people of Burma. It is time for regime change in Burma.

Mr. MCCAIN. Mr. President, every so often a clarifying moment in international affairs reminds us of the stakes involved in a particular conflict, and of our moral obligation to stand with those who risk their lives for the principles of freedom. The violent crackdown against Burmese democracy leader Aung San Suu Kyi and her supporters over the weekend underscores the brutal and unreconstructed charter of Burma's dictatorship. The assault should remind democrats everywhere that we must actively support her struggle to deliver the human rights and freedom of a people long denied them by an oppressive military regime.

The arrest of Aung San Suu Kyi following a coordinated, armed attack against her and her supporters is a reminder to the world that Burma's military junta has neither legitimacy nor limits on its power to crush peaceful dissent. The junta insists it stepped in to restore order following armed clashes between members of Suu Kyi's National League for Democracy and unnamed opponents. In fact, the regime's forces had been harassing Suu Kyi and the NLD for months. The Junta's Union Solidarity Development Association orchestrated and staged last weekend's attack, killing at least 70 of her supporters and injuring Suu Kyi herself, perhaps seriously. Credible reports suggest that the regime's thugs targeted Suu Kyi personally. She is now being held incommunicado by Burmese military intelligence; her party offices have been closed; many of its activists are missing; and universities have been shut down. After having spent most of the last 14 years under